

~~TOP SECRET~~

CONFIDENTIAL

The Director

15 July 1948

fers, CIA is without express authority of Congress to purchase passenger carrying vehicles. Obviously, the purchase of such equipment from either vouchered or un-vouchered funds will be necessary in order to avoid interruption of activities of CIA in the continental limits of United States and overseas. Due to this unique situation it is essential that you be aware of the legal and Congressional implications which are involved prior to your approval of the attached letter to the Director of Bureau of Federal Supply for establishment of a working fund by which it is intended that passenger carrying vehicles will be purchased.

5. If the attached letter is approved, it is intended to charge the fund to unvouchered funds available to the Director, Central Intelligence, for which no accounting is required, except by your certificate. The transaction will, however, be handled in a manner similar to vouchered transactions.

6. Since it is improbable that basic legislation required by CIA will be obtained until the 81st Congress convenes, it is recommended that the attached letter be approved. In recommending the approval of this letter the concurrence and comments of the Executive for Administration and Management, Chief, Budget and Finance Branch, and General Counsel have been obtained.

Attachment CONCURDO NOT CONCUR

Executive for A&M

SIGNEDChief, Budget & Finance Br. *Subject to discussion with Director*General Counsel *No legal objection*

Approved.

SIGNED

CONFIDENTIAL

Director, Central Intelligence

AT (Services)

Director, CIA ✓

Exec. A&M

General Counsel

Return to Mr. Saunders

Approved For Release 2003/07/29 : CIA-RDP80R01731R001300170003-1

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Director of Central Intelligence

15 July 1948

Chief, Services Branch

25X1
1. Attached is letter addressed to the Director of Federal Supply concerning the establishment of a working fund in the amount of [] in that department for the purchase of equipment needed primarily for OSO, CIA overseas activities.

2. Such a fund existed during the fiscal year 1948, and by the procedure outlined in letter dated 30 April 1947, signed by your predecessor, Lieutenant General Hoyt S. Vandenberg, it was possible to purchase equipment, particularly automobiles and typewriters, through the Bureau of Federal Supply, and to avoid the tracing of such equipment to CIA. In addition, these items of equipment were, and still are, difficult to obtain and the problems which CIA would encounter in the procurement of these items through factory sources would be considerable.

3. Quoted below is an excerpt from Public Law 600, 79th Congress, Section 16.(a), approved 2 August 1946:

"Section 5 of the Act of July 16, 1914 (5 U.S.C. 78), is amended to read as follows:

"SEC. 5. (a) Unless specifically authorized by the appropriation concerned or other law, no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government other than those for the use of the President of the United States, the secretaries to the President, or the heads of the executive departments enumerated in 5 U.S.C. 1."

25X1
4. During the fiscal year 1948 adequate authority for the purchase of passenger carrying vehicles existed in the Atomic Service appropriation. It was expected, of course, that basic legislation for CIA would be passed by the 80th Congress prior to its adjournment. As you know, this was not done, there-

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XXXXXX AGENCY

23 JUL 1948

Mr. Clifton E. Mack,
Director, Bureau of Federal Supply,
Treasury Department,
Washington, D. C.

Dear Mr. Mack:

Reference is made to letter dated 30 April 1947, signed by the Director of Central Intelligence, establishing a working fund for the purchase of certain equipment for use by Central Intelligence Agency, primarily to avoid tracing of such equipment to Central Intelligence Agency.

It is desired to establish a new working fund for the fiscal year 1949 in the amount of [] for the same purpose. The other terms, as contained in the letter referred to above by my predecessor, will continue in effect.


Sincerely,

SIGNED

R. H. HILLENKOETTER
REAR ADMIRAL, USN
DIRECTOR OF CENTRAL INTELLIGENCE

AM (Services)

JNF


cc: Director, CIA ✓
Exec. A&M
General Counsel
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